

Commonwealth of Kentucky
DEPARTMENT OF INSURANCE
Property & Casualty Division

Surplus Lines Broker Quarterly Report Filing Procedures
(KRS 304.10-130, 304.10-170 & KRS 304.10-180)

These instructions accompany and apply to the Surplus Lines Quarterly Report, forms KY S.L.Q.R. Form 2 (Ed. 04/02) and KY S.L.Q.R. Form 2A (Ed. 04/02). These forms may be downloaded from our web page, **<http://doi.ppr.ky.gov>**. The quarterly forms are substantially different from previous formats. Beginning July 1, 2002 these forms are to be used to report surplus lines activity on a quarterly basis. Any previous editions of a surplus lines broker statement is obsolete and will not be accepted. The Quarterly Report forms are required to be completed in their entirety. **The forms may be reproduced but you are prohibited from altering them.**

The Quarterly Report and the Surplus Lines Tax payment must be remitted within 30 (thirty) days of the end of each calendar quarter for all surplus lines insurance transacted during the preceding calendar quarter. For example, for insurance transactions made during the calendar quarter beginning July 1, 2002 and ending September 30, 2002, the Quarterly Report along with the Tax payment is due on or before January 30, 2003. For the following quarter, ending December 31, 2002, the Report and Tax payment is due April 30, 2003; for the quarter ending March 31, 2003, the due date is July 30, 2003; and for the quarter ending June 30, 2003, the due date is October 30, 2003. Payment of the 3% Surplus Lines Tax only should be forwarded to the Department. The completed Quarterly Report and a check for the surplus lines tax made payable to the Kentucky State Treasurer must be mailed to:

Kentucky Department of Insurance
Property and Casualty Division
P.O. Box 517
Frankfort, KY 40602-0517

Special Note: Omission of any information on the Quarterly Statement will result in the form being returned to the broker for correction. The Commissioner may suspend or revoke any surplus lines broker's license if the broker fails to report transactions and remit tax as required. Prior versions of the surplus lines broker annual statements are now obsolete and will not be accepted for transactions occurring after July 1, 2002, as quarterly reports and tax payments are required by HB 165.

Other Taxes: The 1 ½% Kentucky Surcharge must be mailed to the Kentucky Revenue Cabinet pursuant to KRS 136.392. Any local government tax should be mailed to the taxing authority, pursuant to KRS 91A.080.

Instructions for completing Page 1

- 1.) Enter the broker's name, social security number and DOI license number in the spaces provided at the top of the form.
- 2.) Enter the dates for the quarter being reported, e.g. 10-1-02 to 12-31-02.
- 3.) Enter in Column B the total number of surplus lines transactions per line of insurance.
- 4.) Enter in Column C the total premium charged for all surplus lines transactions per line of insurance.

- 5.) Enter in Column D the total of all miscellaneous fees, e.g. policy fee or inspection fee, charged per line of insurance.
- 6.) Enter in Column E the total of all return premiums per line of insurance.
- 7.) Enter in Column F the total of columns C through E. (Column C+D-E = Column F)
- 8.) Total each Column, B through F, and enter their sums at the bottom of each column on the line titled Aggregate Premiums.
- 9.) Multiply the total in Column F by **3% (.03)** to calculate the surplus lines tax due to the Department. Enter that amount in the last box of Column F.

Instructions for completing Page 2

- 1.) Enter the broker's name, social security number and DOI license number in the spaces provided at the top of the form.
- 2.) Enter the dates of the quarter for which the report is being submitted.
- 3.) Enter the NAIC # in Column G, the name of the insurer in Column H and the total net premium per insurer in Column I.
- 4.) If needed, attach additional copies of form KY S.L.Q.R. Form 2A (Ed. 04/02)
- 5.) Print the broker's name, social security number, DOI license number, city and state in the spaces provided at the bottom of form KY S.L.Q.R. Form 2A (Ed. 04/02)
- 6.) The broker is required to sign the form and print the name of the agency or company through which they work at the bottom of form KY S.L.Q.R. Form 2A (Ed. 04/02).
- 7.) The broker's signature must be notarized in the space provided beneath their signature at the bottom of form KY S.L.Q.R. Form 2A (Ed. 04/02).
- 8.) A Quarterly Statement must be submitted even if no business was written during the quarter. **If this was the case, check the box at the bottom of form KY S.L.Q.R. Form 2A (Ed. 04/02) just above the signature section.**

Mailing Instructions

Attach a check made payable to the Kentucky State Treasurer in the amount of the 3% (.03) Surplus Lines Tax to the original Quarterly Report. Mail both to:

**Kentucky Department of Insurance
Property & Casualty Division
P.O. Box 517
Frankfort, KY 40602-0517**